



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 30, 1997

### **S. 439**

**A bill to provide for Alaska state jurisdiction over small hydroelectric projects, to address voluntary licensing of hydroelectric projects on fresh waters in the state of Hawaii, to provide an exemption for portion of a hydroelectric project located in the state of New Mexico, and for other purposes**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on September 24, 1997*

The bill would provide exemptions for certain hydroelectric projects currently subject to licensing by the Federal Energy Regulatory Commission (FERC) in Alaska, Hawaii, and New Mexico. It also would allow FERC to extend the deadline for commencement of hydroelectric construction projects for up to ten years.

CBO estimates that enacting this bill would have no net effect on the federal budget. S. 439 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995. The bill would limit FERC's authority to issue licenses for hydroelectric projects in Hawaii, leaving the state with the authority to license any affected projects. Any increase in the state's workload would be the result of its own regulatory process. The bill would also allow the state of Alaska to apply to FERC for jurisdiction over certain small hydroelectric projects.

These provisions may have a minor impact on FERC's workload. Because FERC recovers 100 percent of its costs through user fees, any change in its administrative costs would be offset by an equal change in the fees that the commission charges. Hence, the bill's provisions would have no net budgetary impact.

Because FERC's administrative costs are limited in annual appropriations, enactment of this bill would not affect direct spending or receipts. Therefore, pay-as-you go procedures would not apply to the bill.

The CBO staff contacts for this estimate are Kim Cawley (for federal costs), and Pepper Santalucia (for the state and local impact). This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.